

# EXHIBIT 13

SHAWANGUNK CORRECTIONAL FACILITY  
MEMORANDUM

TO: STEWART R. KIDDER, Director Support Operations

FROM: R. Creen, Steward *R. Creen*

SUBJ: Vending Machines

DATE: March 13, 2007

In response to your memo dated March 7, 2007 following is the information requested:

1. Rockland Vending, contract #X680037, expires 1/31/08  
we are on our last extension
2. We do not have any vending machines not covered under this contract.
3. The facility handles can returns.  
There is no policy/procedure in the contract
4. Issues -- Commission checks and space rental checks are ALWAYS late!! I e-mail them every month and remind them they are due on the 10<sup>th</sup> but I usually don't receive them until the end of the month.. We still have not received the commission check for January and now February.  
For a while we were having difficulty with them keeping the machines filled but that seems to be resolved. However, the machines do go down periodically and we usually have to wait for parts – sometimes over a week. Bill changers seem to be continually out of change in the inmate visit area even though we are assured there is plenty of change in the machines.
5. Concerns -- I have been advised that when the owner, Mike Freed, is out of the office or on vacation there is no one else authorized to sign any checks... I am not sure how a company can operate like that.

We are currently getting the new bid ready and have requested in writing some time ago for information on quantities sold. I again requested the information and gave him a deadline but I am not hopeful that it will be provided.

For at least the last six months, I put all requests in writing via e-mail. Unfortunately, Rockland isn't a shining star, but we are dealing with him.

Let me know if you need any additional information.....

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